



GSIS Government Service Insurance System
Financial Center, Pasay City, Metro Manila 1308

THE REVISED GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) MANUAL OF CORPORATE GOVERNANCE, AS AMENDED

It is the policy of the GSIS to actively promote and pursue corporate governance reforms and to consciously observe principles of accountability and transparency. The Board of Trustees (BOT) and Management of the GSIS hereby promulgate and adopt this Manual of Corporate Governance to significantly enhance the corporate organization of the GSIS by making it a valuable partner of the government in national development, at par with the private sector and globally competitive.

A. DEFINITION OF TERMS AND COVERAGE

Section 1. *Definition of Terms.* Unless the context otherwise indicates, the following terms shall mean:

- a. Board of Trustees – the collegial body that exercises the corporate powers of the GSIS as specified in Section 41 of Republic Act (RA) 8291, which shall hereinafter be referred to as the “Board.” It is primarily responsible for the governance of the GSIS and, hence, in charge of setting policy direction and monitoring implementation of strategic and long-term goals.
- b. Conflict of Interest – arises when a member of the Board or an executive officer has a substantial interest in a business, and the interest of such corporation or business, or his or her rights or duties therein, may be opposed to or affected by the faithful performance of his or her official duties in the GSIS.¹
- c. Corporate Governance – the framework of rules, systems and processes in the GSIS that governs the performance by the Board and Management of their respective duties and responsibilities to the stakeholders.²
- d. Executive Officers - refer to the President and General Manager as Chief Executive Officer, the Senior Vice Presidents and Vice Presidents of the GSIS. As distinguished from Board Officers, Executive Officers form part of the Management of the GSIS.³

¹ Adopted from RA 6713, *Code of Conduct and Ethical Standards for Public Officials and Employees.*

² Adopted from SEC Memorandum Circular No. 6 Series of 2009, *Revised Code of Corporate Governance.*

³ Based on Section 1, GCG Memorandum Circular No. 2012-07, *Code of Corporate Governance for GOCCs.*

review the question and determine an appropriate course of action.⁵⁰ If the Chairperson of the Board is the trustee in question, he or she shall voluntarily inhibit and the Vice-Chairperson together with the Board shall take over in reviewing the question and deciding on the action to be taken.

I. FORMAL RECOGNITION AND RELATIONS WITH STAKEHOLDERS

Section 28. Formal Recognition of GSIS Stakeholders. As mandated by the GCG, this Manual shall incorporate and formally recognize the stakeholders of the GSIS,⁵¹ thus:

- a. GSIS pensioners;
- b. Active GSIS members including Agency Authorized Officers, Liaison Officers and GSIS employees;
- c. Public Sector Unions (PSUs);
- d. Oversight agencies;
- e. Partner government agencies and other external agencies;
- f. Inactive members;
- g. Media;
- h. Private corporations having similar nature of business as the GSIS; and
- i. General public.

Section 29. Nature of Stakeholders' Interests. To be able to effectively establish good relations with the GSIS stakeholders, it is important to understand the nature of their legitimate interests in the operations and programs of the GSIS.

Shown below is a table indicating the nature of interests of the GSIS stakeholders.

Stakeholders	Nature of Interest
GSIS pensioners	Pension and Pension Loan
	GSIS programs that benefit their children and organizations, and other

⁵⁰ Paragraph 27.1, Section 27, GCG Memorandum Circular No. 2012-07, *Code of Corporate Governance for GOCCs*.

⁵¹ Section 35, GCG Memorandum Circular No. 2012-07, *Code of Corporate Governance for GOCCs*.

Stakeholders	Nature of Interest
	Corporate Social Responsibility (CSR) activities
Active GSIS members including Agency Authorized Officers, Liaison Officers and GSIS employees	<p>Claim benefits and loan privileges</p> <p>Insurance coverage or claim of government employees who availed of such insurance product</p> <p>GSIS programs that benefit their children and organizations, CSR projects and, for GSIS employees, activities that deal with their individual development</p>
PSUs	Addressing concerns of their individual members regarding policies of the GSIS
Oversight agencies	Compliance with regulatory issuances
Partner government agencies and other external agencies	<p>Cooperation in accomplishing joint programs and activities</p> <p>Insurance coverage or claim of government corporations which availed of GSIS insurance products</p> <p>Surety bond coverage of private corporations required to secure the same from GSIS</p>
Inactive members	Pension and claim benefits
Media	Articles on GSIS (GSIS investments, statements of the PGM, financial status, transactions with private sector and other government agencies, loans and claims disbursement, and CSR projects, among others)
Private corporations having similar nature of business as the GSIS	GSIS as benchmark on good industry practices and techniques
General public	<p>Fulfillment of the mandate of the GSIS and the judicious utilization of its resources, the GSIS being a government corporation and, hence, a subject of public scrutiny</p> <p>Surety bond coverage of private individuals who were required to secure the same from GSIS</p> <p>GSIS programs on cultural involvement, environmental awareness, disaster response and other CSR activities</p>



Section 30. Hierarchy System of Resolution of Conflict of Interests between Stakeholders. Taking into account the varied nature of the legitimate interests of its stakeholders, the GSIS sees no instance that a conflict of interest between and among them may arise. However, in the event that such conflicts of interest occur in the future, the GSIS shall ensure resolution thereof based on the following order of priority:

- a. Those concerning direct clients of the GSIS, i.e., pensioners, active members, beneficiaries of deceased pensioners or active members, government/private corporations and government employees/private individuals who have insurance or bond coverage with GSIS or have existing housing accounts;
- b. Those concerning PSUs, oversight agencies, partner government agencies and other external agencies;
- c. Those concerning inactive members; and
- d. Those concerning the media, private corporations having similar nature of business as the GSIS and the general public.

Section 31. Relations with Stakeholders. The GSIS shall recognize the rights of stakeholders, established by law or through mutual agreements, and shall encourage active cooperation with its stakeholders in the provision of adequate social security benefits and ensuring the sustainability of the actuarial life of the fund for the next generation of members and pensioners. For its part, the GSIS shall remain steadfast in its commitment to be equally transparent and consultative to all its stakeholders as embodied in its Vision and Mission Statements.

- a. *Recognition and Respect of Stakeholders' Rights Established by Law or Through Mutual Agreements.* The GSIS shall establish mechanisms and procedures to protect stakeholders' rights. Recognizing the vital contribution of its stakeholders, the GSIS shall ensure that stakeholders have access to relevant, sufficient and reliable information on a timely and regular basis to be able to exercise their rights. Stakeholders shall have access to legal redress in the event that their rights are violated.
- b. *Duty to be Responsive to Stakeholders.* The stakeholders of the GSIS have the right to expect that the System is being managed in a prudent manner and with due regard to their interests. As such, the members of the Board and Management shall have the duty to deal fairly with GSIS' employees, active members and pensioners, suppliers and other stakeholders. No member of the Board or Management shall take unfair advantage of these stakeholders through manipulation, concealment,

abuse of confidential or privileged information, misrepresentation of material facts, or any other unfair-dealing practice.⁵²

- c. *Communication with Stakeholders.* The GSIS shall ensure good relations with its stakeholders and empower them through effective communication. It shall create a consultative environment to promote transparency in all its transactions. Along this line, the GSIS shall come up with information materials to convey its new policies and programs to its clientele, engage its stakeholders through dialogues and seminars, and institutionalize communication tools by utilizing multimedia.

Likewise, the GSIS, as a large pension institution pursuing important public policy objective, shall report on stakeholder relations. The GSIS shall communicate with stakeholders and the public at large on their stakeholder policies and provide relevant information on their effective implementation. The GSIS shall allow its stakeholder reports to be independently scrutinized in order to strengthen their credibility.

1. *Dissemination of GSIS Policies and Programs Affecting Stakeholders.* The GSIS through its Corporate Communications Office (CCO) shall prepare information materials to disseminate every new policy or program being implemented for its stakeholders.

2. *Regular Dialogues and Seminars.* To ensure an effective feedback mechanism, the GSIS shall implement regular information dissemination campaigns through dialogues and seminars. Regional dialogues and pre-retirement seminars shall continuously be conducted to provide stakeholders with a venue for active interaction and exchanges to address their queries and concerns.

3. *Communication with Stakeholders through Multimedia.* The GSIS shall likewise utilize multimedia as a communication tool. It shall take advantage of technological innovations in communicative media to further its relationship with its stakeholders and maintain the implementation of its current activities utilizing print, radio, TV, social network/internet, SMS and the like.

In order to fully achieve reciprocity and mutual growth, the GSIS shall endeavor to devise more ways to strengthen its relationship with its stakeholders.

- d. *The GSIS CSR Statement.* The GSIS shall anchor its programs towards improved stakeholder relations on the following GSIS CSR Statement:

⁵² Section 33, GCG Memorandum Circular No. 2012-07, Code of Corporate Governance for GOCCs.

"Beyond our primary mandate of managing the pension fund for public servants, the GSIS recognizes its bigger responsibility towards the society as a whole.

For our members and pensioners, we will support activities that benefit their children and the organizations that they are part of.

For our society and the environment, we will endeavor to promote undertakings in cultural involvement, environmental awareness and disaster response.

For our employees, we will encourage and carry out programs that primarily target their development as well-rounded individuals with varied interests and involvement in worthwhile causes."

Given this, the GSIS shall pursue various CSR programs and activities for its members and pensioners, the society and environment in general, and the GSIS workforce.

- e. *Monitoring of Stakeholder Satisfaction.* To ensure that it has sufficiently addressed the legitimate interests of its stakeholders, the GSIS shall develop and utilize a customer feedback survey system. This shall reflect whether the GSIS has adequately served their interests and determine areas for improvement.

J. DISCLOSURE AND TRANSPARENCY

Section 32. Disclosure and Transparency. The GSIS shall continue to enhance disclosure and transparency, and instill a sense of loyalty in its Board members and executive officers, as well as protect the interests of stakeholders. Timely and accurate disclosure shall be made on all material matters regarding the GSIS, including its financial condition, performance, ownership, and governance.

- a. *Disclosure in the GSIS Website.* The GSIS shall maintain a website and post therein for unrestricted public access the following, as applicable.⁵³

1. *On Institutional Matters:*

- a) Latest version of the GSIS Charter; and

⁵³Section 43, GCG Memorandum Circular No. 2012-07, *Code of Corporate Governance for GOCCs* except for item 3(b) which was based on Section 25(b) of RA 10149, *GOCC Governance Act of 2011*.